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26 JUL 1974

MEMORANDUM FOR: Deputy Director for Management and Services  
SUBJECT : Activity Report - Office of Finance

1. The following is a summary of certain significant activities of the Office of Finance for the week ended 26 July 1974:

a. Fair Labor Standards Act

(1) [redacted] OJCS, visited New Orleans to review the successful revision of the Department of Agriculture payroll system to accommodate FLSA. This visit confirmed that our preliminary design concepts are on target; however, revision of the CIA pay system will require substantial system redesign. The Agriculture National Finance Center, which payrolls over 100,000, was able to more readily redesign for FLSA since their pay system already included fractional (quarter-hour) reporting of work and leave data. The Agriculture system also relies more heavily on its time and attendance clerks to make substantive decisions and inputs that simplify computer routines. The representatives of OP, OJCS, and OF who are currently assessing the overall impact of FLSA are preparing a paper outlining basic options for which management approval will be desired before proceeding with systems design.

[redacted] met with Messrs. [redacted] to develop a means of notifying foreign field employees of their exempt or non-exempt status under FLSA. Since all foreign work is exempted from FLSA, foreign installation employees are being apprised of general FLSA guidelines by book dispatch and being advised that they are exempt while abroad. Upon reassignment to this country or upon TDY return, employees will

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Approved For Release 2002/06/18 : CIA-RDP84-00463R000100040023-6

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be notified by their component offices of their exempt or non-exempt designation based on their actual job designation as recorded in their personnel file.

b. CIARDS. [ ] prepared an initial draft of a staff paper for Management Committee consideration in approving a course of action respecting CIARDS funding requirements. Copies of that draft have been furnished to Messrs. [ ] for review and comment.

c. Audio-Visual Self-Study Facility. The Audio-Visual Self-Study Facility in the Key Building for personnel in the Rosslyn area, became operational on 22 July. Equipment for both black-and-white videotape and color videocassette training programs and a wide range of OJCS training programs in the computer field are in place. Courses in management and other non-computer fields should be available later in the summer, when commercial rental contract arrangements have been completed. During the first week of operation, one person completed a course in Decision Logic Tables, and two others have begun a course in Systems Analysis. During the second week four additional students will begin work on a Data Processing Concepts Course.

d. VIP

(1) [ ] OF met with two representatives of OJCS to discuss procedural matters related to the transfer of responsibility for VIP computer outputs from the OJCS Programmer to the OJCS Production Unit.

(2) We had previously questioned the methodology used by [ ] in computing the net interest earned on VIP deposits with that Company. The charge against interest earned for the "expense" factor did not appear to have been computed in accordance with the contract stipulation. Although the amount in question was only \$55 for the first year, it would be an increasingly significant amount in later years.

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We have been informed orally that [redacted]  
General has accepted our position and will credit  
additional 1973 interest to the VIP account.

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[redacted]  
previously approved by Mr. Colby for simplification  
of the approval process required for project  
liquidation plans.

f. Special Project The special project report  
on which Mr. [redacted] has been working was  
completed and submitted to the Office of Security  
for coordination with interested offices.

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2. Significant activities for the next week include the  
following:

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*for* Thomas B. Yale  
Director of Finance

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